

Adopted	Rejected
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COMMITTEE REPORT

YES:	14
NO:	0

MR. SPEAKER:

Your Committee on Financial Institutions, to which was referred Senate Bill 405, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1 Page 1, line 5, delete "five" and insert "**four**".
- 2 Page 1, line 6, delete "(\$500);" and insert "**(\$400);**".
- 3 Page 2, line 20, delete "full," and insert "full."
- 4 Page 2, line 20, delete "renewed, or".
- 5 Page 2, delete line 21.
- 6 Page 3, line 12, after "loan" insert ":".
- 7 Page 3, line 12, strike "or subsequent refinancing:".
- 8 Page 3, line 42, strike "Renewing the small loan rather than paying
- 9 the".
- 10 Page 4, line 1, strike "debt in full will require additional finance
- 11 charges.".
- 12 Page 4, between lines 15 and 16, begin a new paragraph and insert:
- 13 "**(4) When a borrower enters into a small loan, the lender shall**
- 14 **provide the borrower with a pamphlet approved by the department**
- 15 **that describes:**

1 **(a) the availability of debt management and credit counseling**
 2 **services; and**

3 **(b) the borrower's rights and responsibilities in the**
 4 **transaction."**

5 Page 4, line 24, after "longer." insert **"After the borrower's fifth**
 6 **consecutive small loan, the balance must be paid in full."**

7 Page 4, line 25, after "loan" insert **", payable in installments,"**

8 Page 5, between lines 12 and 13, begin a new paragraph and insert:

9 **"(6) A lender shall not enter into a renewal with a borrower. If**
 10 **a loan is paid in full, a subsequent loan is not a renewal."**

11 Page 5, line 15, after "(1) insert **"As used in this section,**
 12 **"commercially reasonable method of verification" means one (1)**
 13 **or more private consumer credit reporting services that the**
 14 **department determines to be capable of providing a lender with**
 15 **adequate verification information necessary to ensure compliance**
 16 **with subsection (4).**

17 **(2)".**

18 Page 5, line 15, after "loan" insert **", "**

19 Page 5, line 15, strike "or".

20 Page 5, line 16, strike "subsequent refinancing,"

21 Page 5, line 19, strike "(2)" and insert **"(3)".**

22 Page 5, line 19, strike "or subsequent refinancing".

23 Page 5, line 21, reset in roman "four".

24 Page 5, line 21, delete "five".

25 Page 5, line 21, reset in roman "(\$400)".

26 Page 5, line 22, delete "(\$500)".

27 Page 5, line 27, strike "(3)" and insert **"(4)".**

28 Page 5, line 27, strike "(2)" and insert **"(3)".**

29 Page 5, line 34, after "through" insert **"a".**

30 Page 5, line 34, strike "means." and insert **"method of**
 31 **verification."**

32 Page 5, after line 42 begin a new paragraph and insert:

33 **"(5) The department shall monitor the effectiveness of private**
 34 **consumer credit reporting services in providing the verification**
 35 **information required under subsection (4). If the department**
 36 **determines that one (1) or more commercially reasonable**

1 **methods of verification are available, the department shall:**

2 **(a) provide reasonable notice to all lenders identifying the**
 3 **commercially reasonable methods of verification that are**
 4 **available; and**

5 **(b) require each lender to use one (1) of the identified**
 6 **commercially reasonable methods of verification as a means**
 7 **of complying with subsection (4)."**

8 Page 6, line 1, strike "(4)" and insert "**(6)**".

9 Page 6, delete lines 12 through 23.

10 Page 7, line 2, strike "one" and insert "**two**".

11 Page 7, line 2, strike "\$1,000)" and insert "**(\$2,000)**".

12 Page 7, line 12, strike "one" and insert "**two**".

13 Page 7, line 12, strike "\$1,000)" and insert "**(\$2,000)**".

14 Page 7, line 26, delete "JULY 1, 2004]" and insert "UPON
 15 PASSAGE]".

16 Page 7, line 38, after "that" insert "**the department determines**".

17 Page 8, line 2, strike "or".

18 Page 8, line 3, after "(iv)" insert "**entering into transactions in**
 19 **which a customer receives a purported cash rebate that is**
 20 **advanced by someone offering Internet content services, or some**
 21 **other product or service, when the cash rebate does not represent**
 22 **a discount or an adjustment of the purchase price for the product**
 23 **or service; or**

24 **(v)".**

25 Page 8, between lines 27 and 28, begin a new line block indented and
 26 insert"

27 **"(I) Entering into a renewal with a borrower."**

28 Page 8, line 36, delete "IC 24-4.5-7-408 IS REPEALED" and insert
 29 "THE FOLLOWING ARE REPEALED".

30 Page 8, line 37, delete "." and insert ": IC 24-4.5-7-407;
 31 IC 24-4.5-7-408."

- 1 Page 8, after line 37, begin a new paragraph and insert:
- 2 "SECTION 19. **An emergency is declared for this act.**".
- 3 Renumber all SECTIONS consecutively.
(Reference is to SB 405 as printed January 21, 2004.)

and when so amended that said bill do pass.

Representative Bardon